



***Small Business Workforce Pipeline Act, “To amend the Small Business Act to include requirements relating to apprenticeship program assistance for small business development centers, and for other purposes.”***

**Representative Jason Crow (D-CO)**

**Backgrounder**

**Background**

The economic impact of the COVID-19 pandemic has resulted in a labor shortage that is being acutely felt by small firms. For every unemployed individual seeking a job, there are roughly 1.7 job openings in the economy. In March, Federal Reserve Chairman Jerome Powell called the labor market, “tight to an unhealthy level.” While many businesses may have no trouble attracting applicants, it is often hard for them to find applicants with the skills they are looking for, and many are now turning to direct investments in their own workforce as a benefit of employment.

Apprenticeships are among the most successful form workforce development. They often include paid, on-the-job training alongside classroom education that provides well-rounded experience to workers and equips them with skills that can be used in multiple career paths. Because it is an earn-while-you-learn model of workforce development, it could potentially be a more accessible way of educating workers that may not have the resources to engage with traditional education. These programs often last several years and provide accessible training and education to workers through stackable credentials, academic credit, and mentorship opportunities. According to the Department of Labor (DOL), 92 percent of apprentice who complete their apprenticeships retain employment with an average starting salary of \$72,000.

Traditionally, apprenticeships have only been developed in the skilled trades, and they have not been prevalent in other industries. Because apprenticeships require a long-term investment in workers, small firms have seen this as a costly and risky endeavor. However, as many small businesses recognize the benefits of directly investing in their workforce through apprenticeships, they are becoming a desirable course of action for employers who are having trouble hiring qualified employees.

**Legislation**

- This bill would allow Small Business Development Centers (SBDCs) to provide assistance to small businesses regarding apprenticeship, pre-apprenticeship, and job training programs by disseminating information from the DOL.

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**Section-by-Section**

***Section 1. Small Business Development Center Apprenticeship Program Assistance***

This subsection amends Section 21(c)(3) of the Small Business Act (15 U.S.C. 648(c)(1)), to add a requirement that allows SBDCs to provide information and assistance to small business on how to establish and improve apprenticeship programs (as defined in the National Apprenticeship Act), pre-apprenticeship programs, and job training programs, including by disseminating relevant information from the Department of Labor and other Federal Agencies.